



United States
Department of
Agriculture

Food and
Consumer
Service

Mountain
Plains
Region

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Reply to: SP 96-04
Attn. of: CACFP-452
SFSP -279

Subject: Nonprocurement Debarment and Suspension Regulation

To: STATE AGENCY DIRECTORS - Colorado ED, Colorado DPHE, Colorado HS, Iowa,
(Child Nutrition Programs) Kansas, Missouri ED, Missouri DH, Montana OPI,
Montana DPHHS, Nebraska ED, Nebraska SS,
North Dakota, South Dakota, Utah, Wyoming ED,
Wyoming DHSS

On October 13, 1994 the Federal Acquisition Act of 1994 (P.L. 103-355) was signed into law. It amended 41 U.S.C. 253(g) to require the Federal Acquisition Regulations to provide for simplified procedures for purchasing property and services when the "simplified acquisition threshold" is not exceeded. The Act amended 41 U.S.C. 403 (11) to read: "The term 'simplified acquisition threshold' means \$100,000." Before the change, 41 U.S.C. 253(g) set the "small purchase threshold" at \$25,000.

The change in the small purchase threshold affects the Nonprocurement Debarment and Suspension Regulation found at 7 C.F.R. Part 3017.110(a)(1)(ii)(B). It defines a lower-tier covered transaction to be "Any procurement transaction ...expected to equal or exceed the Federal procurement small purchase threshold fixed in 10 U.S.C. 2304(g) and 41 U.S.C. 253(g). While these citations do not include the U.S. Code provision, 41 U.S.C. 403(11), which defines the "simplified acquisition threshold," the citations found in Part 3017 are inherently linked to the new definition. The lower-tier threshold of \$100,000 became effective on October 13, 1994.

It should be noted, however, that the threshold does not apply to procurement contracts, regardless the amount, involving principal investigators or providers of federally required audit services.

This memoranda revises the policies outlined in SP 94-C-2 (November 8, 1993), CACFP 384 (March 9, 1994) and SFSP 222 (March 9, 1994) for the School Nutrition Programs, Child and Adult Care Feeding Program and the Summer Food Service Program, respectively.

Please call the appropriate section if you have any questions or need further clarification.

Ann C. De Groat

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